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DE RUEHMO #1720/01 1061109
ZNR UUUUU ZZH
P 161109Z APR 07
FM AMEMBASSY MOSCOW
TO RUCPDOC/USDOC WASHDC PRIORITY
INFO RUEHC/SECSTATE WASHDC 9321
RHMFIUU/US CUSTOMS AND BORDER PROTECTION WASHINGTON DC
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USDOC FOR 532/OEA/MHAMES/LRITTER
USDOC FOR 3150/USFCS/OIO/CEENIS/MCOSTA
USDOC FOR 532/OEE/MO'BRIEN

E.O. 12958: N/A

TAGS: BEXP ETRD ETTC RS
SUBJECT: EXTRANCHECK: POST-SHIPMENT VERIFICATION:
TACTICA LTD., MOSCOW, RUSSIA, LICENSE NO. D357067

REFTEL: USDOC

¶1. Unauthorized disclosure of the information provided below is prohibited by Section 12C of the Export Administration Act.

¶2. Reftel 1 requested a Post-shipment verification to determine the legitimacy and reliability of the end-user, Tactica Ltd., Moscow, Russia. The company is listed on BIS license application D357067 as the ultimate consignee of 60 holographic sights model: 552.A65, 180 holographic sights model: 551.A65, 120 holographic sightings model: 512.A65, 240 holographic sights model: 511.A65 and 200 holographic sights model: 551.D1. These items are controlled for firearms convention, crime control, and UN sanctions reasons under ECCN 0A987. The licensee is Leupold and Stevens, Inc., 14400 NW Greenbrier Parkway, Beaverton, OR ¶197006.

¶3. On March 27, 2007, Export Control Attaché Donald Pearce and FSN Natalya Shipitsina conducted the requested post-shipment verification with Tactica Ltd., 138 Varshavskoe Shosse, Moscow, Russia. The export control team met with Sergey Korznikov, Commercial Director and Alexander Zviagin, General Director.

¶4. Tactica is a retail sporting goods and tactical supplies store, specializing in optics. Mr. Korznikov, a former member of the Federal Security Service (Russian acronym FSB) Alfa Group, founded the company in 2004. NOTE: FSB Alfa Group is a special operations capable anti-terrorist unit. END NOTE. The company started as an internet-based business, but expanded within weeks to a showroom when Korznikov's neighbor decided to invest 200,000 USD in the new venture. Tactica imports 90% of its inventory from the United States, and is a distributor for U.S. manufacturers such as 5.11, Blackhawk, SureFire, and others. The company employs 11 and operates from its showroom and office in a multi-tenant commercial building in southern Moscow.

¶5. Tactica is the official law enforcement and military distributor for Leupold and Stevens in Russia. The weapons sights in reftel were sold and transferred to law enforcement and military end users in Russia. The team was allowed to examine the purchase records, and was given copies of the end use statements and invoices. The remainder of the units

requested in the license will be ordered over the next year. Mr. Korznikov stated that it has been difficult to keep these types of optics in stock for more than a week, as the demand for them within the military and law enforcement tactical units is high. Stock is maintained in a locked storeroom on site, and the store is protected by an electronic alarm system with remote monitoring by the security guards at the building complex.

¶6. According to Mr. Korznikov, units are going outside of the normal procurement channels to directly purchase these commodities, as similar optics from Russia are not as good. Mr. Korznikov reports that most of these purchases are guided from the field officer level, as the staff officers are reluctant to purchase western equipment. This is due principally to a "KGB mentality" as Mr. Korznikov labels it, that is common among the Generals. The General Staff believes that the field level operators are well equipped; however most units in places like the Caucuses are depending on Soviet-era tactical gear.

¶7. Often, former operators who have gone on to successful positions in business will, as a "humanitarian gesture" to their old units, finance the purchase of western equipment that the official Ministry of Defense supply chain will not. Mr. Korznikov has worked closely with his former colleagues to get the units better tactical load bearing gear such as vests and rifle slings, as well as optics. Mr. Korznikov assisted in arranging an information exchange on hostage rescue tactics between Alfa Group and the FBI Hostage Rescue Team, and is hoping to arrange for additional training for Alfa operators through U.S. contractor Blackwater.

¶5. Recommendations: Post recommends Tactica Ltd., Moscow, Russia as reliable recipients of sensitive U.S. origin commodities.

(FCS MOSCOW/SBOZEK/DPEARCE)
BURNS